

ELWYN FOUNDATION GIFT ACCEPTANCE POLICY

JULY 2018

Overview

The Elwyn Foundation (the Foundation) urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. The following policies and guidelines govern acceptance of gifts made to the Foundation for the benefit of any of Elwyn's operations, programs, or services.

- 1) With exceptions indicated below, the Foundation receives all charitable contributions intended to support Elwyn.
- 2) Elwyn will accept gifts for which the Foundation is not eligible as a Type I supporting organization, including IRA distributions and certain donor-advised fund grants.
- 3) The Foundation solicits and accepts gifts that are consistent with the mission of Elwyn.
- 4) Donations will generally be accepted from individuals, corporations, foundations, and government agencies.
- 5) In the course of its regular fundraising activities, the Foundation will accept donations of cash, real property, personal property, and stock.
- 6) Certain types of gifts must be reviewed prior to acceptance due to the special liabilities they may pose for the Foundation or Elwyn. Gifts that may be subject to review include but are not limited to restricted gifts, endowed gifts, planned gifts, IRA distributions, grants from donor-advised funds, unusual gifts, gifts of real property, gifts of personal property, gifts of securities, and gifts involving naming opportunities.
- 7) Elwyn Foundation will assess a 5% gift fee on restricted gifts for the purpose of strengthening the fundraising program and defraying a portion of related administrative costs.

Because there is the potential for controversy if certain gifts are accepted, the Foundation has adopted the following Gift Acceptance Policy, which is informed by the following questions.

- **Values:** Might the acceptance of the gift compromise any of Elwyn's core values?
- **Compatibility:** Is there compatibility between the intent of the donor and Elwyn's use of the gift?
- **Public Relations:** Might acceptance of the gift damage Elwyn's reputation?
- **Primary Benefit:** Is the primary benefit of the gift to Elwyn or the donor?
- **Consistency:** Is acceptance of the gift consistent with prior practice?
- **Form of Gift:** Is the gift offered in a form that the Foundation can use without incurring substantial expense or difficulty?
- **Effect on Future Giving:** Will the gift encourage or discourage future gifts?
- **Legal Restrictions:** As a Type I supporting organization, is the Foundation eligible to receive the gift?

Gift Acceptance Committee

The Gift Acceptance Committee shall be comprised of the following individuals.

- Elwyn's President
- Elwyn's Chief Operating Officer
- Elwyn's Vice President of Development
- The Chair of the Elwyn Foundation board, who will also represent the interests of the Elwyn board
- Elwyn's General Counsel
- Other professional staff or consultants on an as-needed basis

Gift Acceptance Committee shall review the following types of proposed gifts.

- Gifts requiring unusual funding arrangements or other commitments
- Gifts of intangible or unusual personal property (art, jewelry, collections, etc.)
- Gifts of non-publicly traded securities
- Gifts of partnership interests and other non-traditional investments
- Gifts of real estate (including bargain sales)
- Gifts with special restrictions that may be difficult or costly to administer
- Naming requests not currently offered to potential donors
- Any gifts that are exceptions to existing guidelines

The Gift Acceptance Committee may decline a proposed gift for any reason within its sole discretion. Reasons to decline a proposed gift may include the following.

- As a Type I supporting organization, the Foundation is not eligible to receive the gift
- Unusual features to the gift that are contrary to the objectives, mission, vision, values, or goals of Elwyn
- Gift could financially or morally jeopardize Elwyn
- Gift or terms of the gift are illegal
- Elwyn may or will be unable to honor the terms of the gift
- Appropriate fair market value cannot be determined or will result in unwarranted expense to the organization
- Title to the gift is not clear or marketable
- There are actual or potential physical or environmental hazards to the organization in accepting the gift
- The gift will be administratively burdensome or costly

Gift Fee

Elwyn Foundation will assess a 5% gift fee on restricted gifts for the purpose of strengthening the fundraising program and defraying a portion of related administrative costs.

The gift fee is assessed on the gift principal and will be deducted at the time of receipt.

Assessment of a gift fee does not affect the tax-deductible amount of a donor's gift. Donors will receive one receipt for the full amount of the gift.

No gift fee will be assessed when the terms of gift specifically disallows a fee or cost recovery.

The gift fee does not apply to non-cash gifts (gifts-in-kind).

Restrictions on Gifts

The Foundation will not accept gifts that (a) would result in Elwyn violating its corporate charter, (b) would result in Elwyn losing its status as an IRC § 501(c)(3) not-for-profit organization, (c) would result in the Foundation losing its status as an IRC § 501(c)(3) and 509(a)(3) not-for-profit Type I supporting organization, (d) are too difficult or too expensive to administer in relation to their value, (e) would result in any unacceptable consequences for Elwyn or the Foundation, or (f) are for purposes outside Elwyn's mission.

Any gift restrictions accepted by the Foundation will be detailed in the donor's gift or pledge commitment agreement.

Naming Opportunities

Significant gifts may be connected with naming opportunities. Each naming opportunity will be governed by a naming agreement that has been signed by the donor or his/her representatives and the President of Elwyn.

Endowments

The Gift Acceptance Committee shall establish a minimum amount for an endowed fund.

Documenting Gifts and Pledges

Outright gifts, pledges, or a combination of the two will be credited as long as they are received in writing and comply with all regulatory and legal constraints. Documentation for pledges may be a signed and dated pledge agreement form, a letter of intent, or a letter defining the gift.

Payments on pledges must conform with all regulatory and legal constraints.

Crediting Gifts

Gifts to the Foundation may include cash, securities, or real or tangible personal property intended for resale. Guidelines regarding crediting gifts are outlined below.

- 1) Gifts and pledges should be directed and made payable to “Elwyn Foundation” for the donor to receive a tax deduction. Two exceptions:
 - a. IRA distributions should be directed to Elwyn.
 - b. Donor-advised fund gifts shall be reviewed upon receipt for stipulations that may require directing the gift to Elwyn rather than the Foundation.
- 2) Cash gifts will be receipted at face value (less any benefit), regardless of method of payment (e.g., currency, check, credit card, money order, ACH, EFT).
- 3) Properly documented pledges will be counted at full face value.
- 4) Publicly traded securities can be accepted as outright gifts or payments toward pledges in accordance with established guidelines. Listed securities will be accounted for at the traded value as of the date of the trade. Generally, securities will be sold immediately upon receipt. Brokerage fees as well as changes in value of securities after their receipt are considered costs and do not affect the value credited to the gift. The Foundation will receipt securities under IRS guidelines, citing the number of shares and the name of the stock. Any value cited as a courtesy to the donor shall have no bearing on the tax deductibility of the gift.
- 5) The valuation of gifts of closely held securities that are not publically traded is the responsibility of the donor and such gifts must be accompanied by an independent qualified appraisal paid for by the donor in order to be credited.
- 6) Gifts of real estate will be credited at the fair market value placed on them by an independent outside appraiser retained by the donor.
- 7) The valuation of gifts of tangible personal property that are intended for resale to benefit the Foundation is the responsibility of the donor and such gifts must be accompanied by an independent qualified appraisal in order to be credited. Donors will be informed that they should consult with their accountant or financial advisor regarding current rulings on charitable deductions.
- 8) Gifts received in cash from an organization or corporation to match gifts made by individuals associated with that corporation or organization will be credited to the corporation's gift record. Matching gifts will be allocated to the same purpose as the donor's original gift unless prohibited by terms of the corporation's matching gift policies.
- 9) For Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities, Retirement Plans, and Charitable Remainder and Lead Trusts, donors are encouraged to name the Foundation as the beneficiary under these options when appropriate. To accept gifts of Life Insurance Policies, the Foundation must be named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owed on the policy.

- 10) Multiyear pledges for major gifts will be described in a gift or pledge agreement form detailing the purpose of the gift, payment schedule, and how they wish their names to appear in donor recognition materials.